

RESOLUTION NO. RS2018-1453 (VERCHER) – This resolution would reduce the authority of the Metropolitan Government to issue general obligation bonds pursuant to certain initial resolutions previously adopted by the Metropolitan County Council.

Between 2009 and 2015, the Metropolitan Council authorized the issuance of general obligation bonds on seven (7) particular occasions through initial resolutions. These bonds were generally issued at a premium, meaning the price investors paid was higher than the par amount of the bonds because the bonds were more attractive to investors. This resulted in additional cash flow above the par amount of the bonds for Metro at bond closing. Consequently, Metro issued less par amount of bonds to retire the commercial paper used to fund the related capital projects.

Those capital projects authorized by the general obligation bond initial resolutions between 2009 and 2015 have now been -- or are on target to be -- completed at a cost less than the previously authorized amount, with resultant savings of \$5,000,000. Metro therefore desires to reduce its authority to issue the general obligation bonds under those initial resolutions by \$5,000,000.

Fiscal Note: The purpose of the resolution is to decrease the amount of authorized bonding authority by \$5 million. The 2009 to 2015 resolutions were initial bond resolutions that authorized project spending and bonding of \$2,313,463,000. It was determined that \$5 million would not be required to complete certain projects that were authorized in the resolutions. That reduces the amount that needs to be bonded and therefor reduces the amount of bond authorization needed going forward.